

Minutes of the Special Called Business Meeting of the  
Board of Mayor and Aldermen of the City of Kingsport, Tennessee  
Friday, December 7, 2012, 2:00 PM  
Council Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding  
Alderman Valerie Joh  
Alderman Mike McIntire

Alderman Tom Segelhorst  
Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager  
J. Michael Billingsley, City Attorney

I. **CALL TO ORDER:** 2:00 p.m., by Mayor Dennis R. Phillips.

II.A. **PLEDGE OF ALLEGIANCE TO THE FLAG**

II.B. **INVOCATION:** Alderman McIntire.

III. **ROLL CALL:** By Deputy City Recorder Angie Marshall. Absent: Alderman John Clark and Vice-Mayor Tom Parham.

IV. **OTHER BUSINESS**

1. **Consideration of a Resolution Approving a Lease of Property to Kingsport Hotel, LLC and Authorizing the Mayor to Negotiate Certain Terms of the Lease and to Execute the Same** (AF: 354-2012). City Attorney Billingsley provided details on this item, noting this resolution authorized the lease of the lobby at Meadowview Convention and Conference Center to Kingsport Hotel, LLC for the opportunity to initiate a comprehensive design plan, which will ultimately improve the opportunity for additional tourism and conferences. Mr. Billingsley stated this would be a 200 day repeating lease with no subletting for a term of no more than ten years. He further stated the mayor would have the authority to negotiate and would allow this project to move forward. Mayor Phillips commented this was a unique situation where Eastman owns part of the facility and the city owns part; incidentally, both are subject to Marriott's standards. He provided further details on the reason for the delay from the previous meeting and the need for the special-called meeting. The mayor also pointed out that as the facility ages, it will require more maintenance. He challenged the city manager and the city attorney to find a smooth way to do this in the future. Alderman Segelhorst commented that Meadowview is the shining star of the Tri-Cities and we need to keep it that way. Some discussion ensued. Meadowview General Manager Andy King thanked the BMA for getting together to work this out after his presentation at the work session earlier this week. He apologized for the short notice that was given and stated that these decisions are made based on what is best for the company.

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Motion/Second: Segelhorst/Joh, to pass:

**Resolution No. 2013-094,** A RESOLUTION MAKING CERTAIN FINDINGS; APPROVING A LEASE OF PROPERTY TO KINGSPORT HOTEL, LLC; AUTHORIZING THE MAYOR TO NEGOTIATE CERTAIN TERMS OF THE LEASE; AND AUTHORIZING THE MAYOR TO EXECUTE THE LEASE AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed: All present voting "aye."

**2. A Resolution Ratifying an Agreement Between the Kingsport Economic Development Board and Developer Stewart Taylor with Regards to the Optioning and Preparation of Property Inside the Kingsport Border Region Retail Tourism Development District and Expressing Board Intent (AF: 355-2012).** Mr. Gorman Waddell, attorney for the KEDB, provided details on this item by first describing the background for the Border Region, the criteria that must be met in order to qualify as a border region and the financial and economic benefits the city would gain from this project. Mr. Waddell informed the BMA that Stewart Taylor owns 400 acres in this region and it has been divided into smaller areas. One area has been divided into three 17 acre tracts and is ready for development. He stated the KEDB has negotiated an agreement for an option to purchase one 17 acre tract if a trigger tenant can be committed within a year. At that time the option to purchase will be exercised and Mr. Taylor will do the rough site preparation for all three 17 acre tracts. The cost would be about six million dollars, which is about \$350,000 per acre, but would not be due until four years after the deed was executed. At that time, the building would be constructed, operating and generating revenue. The next site would follow suit. As long as there is debt, the sales tax money will roll in for 20 years. He pointed out neither the city nor the KEDB would ever have liability. City Attorney Billingsley clarified that this resolution would delegate authority to KEDB to negotiate and develop the property and outline an agreement for sales tax to transfer. Mr. Billingsley noted an agreement for moving the sales tax would be brought to the next BMA meeting for approval. Discussion followed and Mr. Waddell, Mr. Billingsley and City Manager Campbell answered questions from the Board.

Motion/Second: Shupe/McIntire, to pass:


**Resolution No. 2013-095,** A RESOLUTION DELEGATING TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, PURSUANT TO *TENN. CODE ANN. SECTION 7-40-101, ET SEQ.*, AUTHORITY TO CARRY OUT THE PROJECT THAT IS THE SUBJECT OF AN AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE AND STEWART TAYLOR AND TO THE EXTENT REQUIRED BY THE BORDER REGION RETAIL TOURISM DEVELOPMENT DISTRICT ACT RATIFYING THE AGREEMENT BETWEEN THE PARTIES

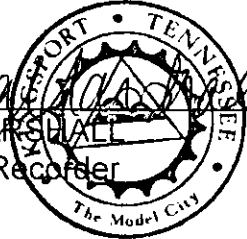
Passed: All present voting "aye."


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**A. PUBLIC COMMENT.** Mayor Phillips invited citizens in attendance to speak about any of the remaining agenda items. There being no one coming forward to speak, the Mayor closed the public comment segment.

**V. ADJOURN.** Seeing no other business for consideration at this meeting, Mayor Phillips adjourned the meeting at 2:40 p.m.

  
ANGELA MARSHALL  
Deputy City Recorder



  
DENNIS R. PHILLIPS  
Mayor